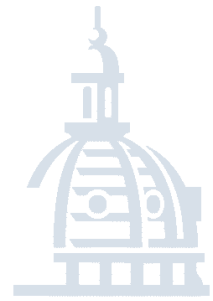


# Fiscal Note

*Fiscal Services Division*



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**HF 2483** – Probate Code/Trust Code Amendments (LSB 5186HV)  
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Fiscal Note Version – New

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## **Description**

**House File 2483** relates to trusts and estates including provisions relating to State inheritance tax, uniform transfers to minors, and medical assistance claims.

## **Background**

This Bill has two changes that have a fiscal impact. These include:

- Increases the monthly payment a trustee can receive from a trust from \$10 to \$50. The Department of Human Services (DHS) often receives the balance of these trusts to reimburse Medicaid once a recipient is deceased.
- Increases the income limit for Medical Assistance Income Trusts from the statewide average cost of a nursing facility to the private pay rate. This provision is used to determine Medicaid eligibility for those individuals that have such trusts.

## **Assumptions**

### **Monthly Payment for a Trustee**

- The monthly trustee payment will increase from \$10 to \$50. The \$10 monthly payment is currently not being utilized because the payment is minimal.
- Increasing the payment reduces the balance of each trust by \$600 per year and will impact 90 trusts. It is anticipated that half (45) of the trustees will take advantage of the \$50 monthly payment.
- Due to fewer funds available in the Trust, there will be a State savings of \$1,000 due to smaller fee payments to estate recovery contractors.

### **Income Changes for Medical Assistance Income Trusts**

- Income limits for individuals with a Medical Assistance Income Trust will increase from the statewide average cost of a nursing facility to the actual cost of a private pay bed.
- The change in income limits will increase the number of individuals eligible for Medicaid by 61.
- Approximately 10 of the additional 61 eligible individuals will be married couples that can divert \$12,000 annually from a trust to their spouse.
- The average State cost for an elderly enrollee is \$2,100 for FY 2011 and \$2,500 for FY 2012.

## **Fiscal Impact**

This Bill is estimated to cost the General Fund \$174,800 in FY 2011 and \$200,200 in FY 2012. This includes \$7,700 in FY 2011 and \$9,100 in FY 2012 for increasing the payment for a trustee and \$167,000 in FY 2011 and \$191,100 in FY 2012 to change the income limits for individuals with trusts to the private pay rate of the individual facility.

## **Source**

Department of Human Services

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/s/ Holly M. Lyons

February 25, 2010

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The fiscal note for this Bill was prepared pursuant to **Joint Rule 17**. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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